



CENTRAL INTELLIGENCE AGENCY

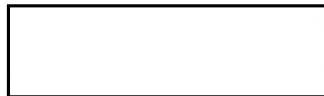
Office of Legislative Counsel
Washington, D. C. 20505

Telephone:

TO: Frank Slatinsheke
2110 Rayburn

Dear Frank

Enclosed is JAEIC statement
and a paper with answers to
some follow-up questions of a
briefing given to Rep. Les Aspin
on 5 March. Both is for
your info.



FORM 1533 OBSOLETE
6-68 PREVIOUS
EDITIONS

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MEMORANDUM

These data as you know reflect our estimates of how much it would cost in dollars to reproduce individual Soviet military programs in the US. They do not measure actual Soviet defense expenditures or their burden on the Soviet economy. Neither can the dollar cost analysis alone be used to draw inferences about the relative military effectiveness or capabilities of US and Soviet forces.

Procurement of General Purpose Naval Ships

The estimated dollar costs of Soviet programs for procurement of general purpose naval ships from 1971 through 1975 total about ten billion 1974 dollars. This figure reflects total ship costs--that is, the costs of the basic ship, armament and electronic systems. It does not include costs for such items as fuel, munitions, food, and medical supplies. Submarine construction programs comprise about one third of the total. Construction programs for major surface combatants and minor surface combatants (including amphibious warfare ships) each account for about one quarter of the total dollar costs.* Naval auxiliary ship programs account for the remainder.

* *Minor surface combatants are those with full load displacements of 1000 tons or less.*

Costs of Soviet Forces Along the Sino-Soviet Border

We are unable to provide a reliable breakdown of the costs for Soviet forces deployed in response to the threat from China. Our data base is not currently structured to provide such data easily, and an extensive research effort would be required to calculate it. In addition, it is difficult to define those forces which the Soviets might have earmarked for operations against China. Many of the Soviet forces and weapon systems--like comparable US forces--can be redeployed to meet various contingencies. Consequently, it is at least as difficult to estimate the costs of Soviet forces designated for operations against China as it is to determine the costs of US forces earmarked for overseas operations. Our *impression* is that the costs of Soviet forces for operations against China probably comprise on the order of one fifth of the total dollar costs of Soviet defense programs. It should be understood, however, that we have not actually done the work that would permit us to stand behind this impression.

Tank Costs

The estimated procurement cost in the US of a single T-62 Soviet tank is \$265,000 (1974 dollars). This estimate does not include the cost of fuel, ammunition or spare parts. The latest cost estimate for the US M-60 tank could better be supplied by DoD. Information available to us indicates that the cost of the M-60 tank in 1974 was \$297,000.

The estimated total ship procurement cost for the second and subsequent units of the Kiev class is about 270 million 1974 US dollars. One-time costs associated with the lead ship of a class are estimated to increase the cost for the first unit to about 335 million 1974 dollars.

Cost of the BMP Infantry Combat Vehicle

The estimated dollar cost for the BMP--if procured in the US--is about \$175,000 (1974 dollars).